
BLM Fact Sheet

Stephanie Howard (435) 781-4469
Adrienne Babbitt (801) 539-4061

Qs and As the for Release of the Preliminary Environmental Assessment of the Oil Shale RD&D Proposal by OSEC Bureau of Land Management – Vernal Field Office

Overview

1Q. Who is the proponent of the proposed Research, Development & Demonstration (RD&D) project?

A. Oil Shale Exploration Company (OSEC). The proposal was judged eligible for further consideration and NEPA analysis.

2Q. Where is the parcel associated with this proposal located?

A. OSEC's proposed project would occur on public lands about four miles south of Bonanza, Utah, in eastern Uintah County. The White River Shale Oil Company had formerly developed an oil shale mine at the site of OSEC's RD&D application area. Estimates are that kerogen in the oil shale resources of the Green River Formation, which occurs in the Uinta, Piceance Creek and Green River Basins (in UT, CO, WY respectively), could be processed to produce nearly 1.2 trillion barrels of oil – 10 times the country's total conventional oil resources. Assuming that 800 billion barrels of oil is recoverable, this resource could meet current U.S. oil demand for 110 years. Some of the richest shale oil deposits are predominately on federal land managed by the BLM.

3Q. How much public land is involved in the OSEC proposed project?

This proposal includes 160 acres, the maximum allowed in the call for RD&D proposals published in the *Federal Register* in June 2005, along with an additional 40 acres for utility support. If the technology is proven successful, economically viable, and environmentally sound, and once additional NEPA analysis is completed, OSEC may obtain an additional 4,960 acres of preference right lease to convert to a commercial lease in the future.

Public Comments

4Q. How can the public review the EA relating to the OSEC proposal?

A. The public may review the EA for the proposal online at www.blm.gov/utah/vernal/nepa.html. A CD or hard copy version of the EA is also available for review at the BLM Vernal Field Office.

5Q. How can the public comment on the EA?



A. BLM recommends submitting comments by mail to ensure your suggestions are received by the close of the public comment period on October 18, 2006. Comments may be submitted in writing to:

Bureau of Land Management
Vernal Field Office
170 South 500 East
Vernal, UT 84078
Attn: Stephanie Howard

Comments may also be faxed to (435) 781-4410 or sent email to UT_Vernal_Comments@blm.gov.

6Q. Why is this Environmental Assessment (EA) being released at a different time from the Colorado EAs?

A. Colorado's EGL, Chevron and Shell EAs were developed by separate contractors, which meant they were ready for publication at separate times. BLM Vernal Field Office is thoroughly reviewing the analysis in the OSEC EA to ensure that potential impacts to human health and the environment are appropriately addressed.

7Q. Why did this EA take longer to get to the public comment period than the RD&D applications in Colorado?

A. The BLM - Utah State Office had to further evaluate two overlapping RD&D applications at the site of the former WRSOC mine. Colorado BLM which had no overlapping applications that have gone forward to the EA process.

8Q. Can the public review the comments the BLM receives on this preliminary EA?

A. The public may review comments after the BLM has completed its internal comment analysis and has responded to the comments. Comments, including names and street addresses of respondents will be available for public review at the BLM Vernal Field Office and will be subject to disclosures under the Freedom of Information Act (FOIA). They may be published as part of the NEPA document and other related documents.

Individual respondents may request confidentiality. If you wish to withhold your name or street address from public review and disclosure under FOIA, you must state this prominently at the beginning of your written comment. Such requests will be honored to the extent allowed by law. All submissions from organizations or businesses will be made available for public inspection in their entirety.

Next Steps

9Q. When will the final decision about awarding the oil shale RD&D lease be expected?

A. The RD&D lease may be issued after the NEPA process is completed and if BLM concludes the proposed project will have no significant impact on the human environment. Publication of a decision record is expected to occur in late fall 2006.

10Q. Does this timeline meet the requirements of Section 369 of the Energy Policy Act?

A. Yes. The BLM met the requirements of Section 369 (c) when it published the call for RD&D nominations in the summer of 2005..

11Q. Why has this proposal been deemed eligible for further consideration?

- A. This proposal was judged to be eligible for further consideration by 1) including all the information required in the June 2005 *Federal Register* notice, 2) demonstrating potential to advance knowledge of oil shale recovery technology, 3) demonstrating potential economic viability, and 4) demonstrating means of minimizing environmental impacts.

Proposal Specifics

12Q. How is this proposal different from oil shale development compared to 20 years ago?

A. The Utah project proposes to use a mine process similar to what was developed 20 years ago; however, the proposed ATP Processor would be a rotating, multi-chambered, horizontal vessel, compared to the classic vertical tower type retort that was conceptualized 20 years ago. Knowledge about oversight and mitigation has advanced in recent years. The BLM will demand rigorous technological and environmental oversight and require the best available practices to minimize impacts on any oil shale lease the agency may eventually grant. The RD&D effort is being carefully phased to ensure that newer extractive technologies will operate at economically and environmentally acceptable levels before conversion to commercial operations is authorized.

13Q. What issues surround mining and the surface retorting methods for extracting oil from shale and the connected actions of running certain utilities to the application area?

A. Potential impacts as identified in Chapter 1 of the EA include air/water quality, soils, wildlife, vegetation, other mineral resources, flood plains, wetland/riparian areas, recreation, visual/fossil/cultural resources, socio-economics, and special designation areas.

14Q. How does the EA address the air quality impacts associated with above-ground retorting?

A. Yes, as Chapter 4 of the EA discloses the fact that all three phases of OSEC's proposal would not exceed National Ambiance Air Quality Standards (NAAQS).

15Q. Will extracting the oil require open-pit mining and the disposal of waste rock?

A. No, as OSEC's Phase III would involve the underground mining of only oil shale.

16Q. Will royalties be collected from this RD&D lease and will rental fees be charged?

A. Royalties on oil produced from RD&D leases will be waived until oil is produced in commercial quantities. There would be an annual \$2.00 per acre rental fee, unless this is waived by the Authorized Office.

17Q. Is there mitigation in the EA for the mining and retorting OSEC is proposing?

A. Yes, refer to Chapter 4 of the EA, however, the OSEC has proposed operator committed measures (see Chapter 2 of the EA) that would mitigate most impacts.

18Q. Would there be any waste rock generated under OSEC's proposal?

A. No, the rock OSEC proposes to remove from stockpiles and from the mining would be oil shale that would be retorted. The retorting process would produce spent shale. The spent shale is proposed to be placed on the surface (see Chapter 2 of the EA).

19Q. Does the EA address the usage of the existing piles of oil shale at the former WRSOC mine site?

A. Yes, in Phases I and II of OSEC's proposed action stockpiled oil shale would be retorted.